

COMMONWEALTH OF VIRGINIA
STATE CORPORATION COMMISSION

AT RICHMOND, MAY 27, 2022

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PETITION OF

VIRGINIA ELECTRIC AND POWER COMPANY

CASE NO. PUR-2022-00075

For an exception to the PJM GATS Business Rules
for the Scott Solar Facility and BESS-3

ORDER FOR COMMENT

On May 11, 2022, Virginia Electric and Power Company d/b/a Dominion Energy Virginia ("Company") filed a Petition ("Petition") with the State Corporation Commission ("Commission") seeking an exception to the Commission's Revised Business Rules for Issuing VA-Approved Renewable Energy Certificates ("RECs") pursuant to the 2020 Virginia Clean Economy Act ("VCEA") ("Business Rules") established in Case No. PUR-2021-00064,¹ as the Business Rules relate to the creation of RECs from the Company's Scott Solar Facility.

The VCEA sets forth the standards for eligible RECs and directs that verification of RECs should be consistent with the PJM-EIS² Generation Attribution Tracking System ("GATS").³ GATS provides a mechanism to certify, buy, and sell RECs.

In Case No. PUR-2021-00064, the Commission revised its Business Rules as directed by the VCEA but did not adopt a rule addressing renewable energy resources paired with storage

¹ *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: In the matter of registering and retiring Virginia-eligible renewable energy certificates*, Doc. Con. Cen. No. 210950058, Case No. PUR-2021-00064, Order Revising Business Rules (Sept. 30, 2021) ("Order Revising Business Rules").

² PJM Environmental Information Services, Inc., a subsidiary of PJM Interconnection, LLC ("PJM"), a regional transmission organization that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia.

³ Code § 56-585.5 C

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resources, finding that this issue was outside the limited scope of the proceeding.⁴ Business Rule 3 provides for a mechanism to address such technological developments on a case-by-case exception basis, providing that:

Further market, technology or regulatory developments in Virginia not currently addressed by these Business Rules may be applied on an exception basis by GATS as directed by the VA SCC or presented to the Commission for further consideration in further revision of these Business Rules.⁵

In Case No. PUR-2019-00124, the Commission approved the Company's proposal to establish a battery storage pilot program and deploy three battery energy storage systems ("BESS").⁶ The Petition states that the Company is constructing BESS-3, a lithium-ion BESS consisting of a 2 megawatt ("MW") / 8 megawatt-hours ("MWh") direct current ("DC")-coupled system and a 10 MW / 40 MWh alternating current ("AC")-coupled system at its Scott Solar Facility to "study solar plus storage facilities to improve the integration of renewable resources and reduce the need for additional generation during times of peak demand."⁷

According to the Company, within PJM, renewable energy resources paired with storage resources can participate as front of the meter hybrid resources, front of the meter co-located resources, or behind the meter resources.⁸ The Company plans to operate Scott Solar and BESS-3 initially as a behind the meter resource, but transition to a front of the meter hybrid

⁴ Order Revising Business Rules at 12.

⁵ *Id.* Attachment A at A-2, A-3.

⁶ *Application of Virginia Electric and Power Company, To participate in the pilot program for electric power storage batteries pursuant to § 56-585.1:6 of the Code of Virginia, and for certification of a proposed battery energy storage system pursuant to § 56-580 D of the Code of Virginia*, 2020 S.C.C. Ann. Rept. 304, Case No. PUR-2019-00124, Final Order (Feb. 14, 2020).

⁷ Petition at 4.

⁸ *Id.* at 5.

resource.⁹ The Petition states that under the current Business Rules, once BESS-3 begins operations, the RECs from Scott Solar will no longer be created by the amount of energy generated by Scott Solar but instead will be a combination of energy produced by the solar facility as well as the discharged energy from BESS-3.¹⁰

In its Petition, the Company seeks an exception to the Business Rules for the Scott Solar/BESS-3 facility and asks that the Commission direct GATS to count the RECs based on the amount of energy that enters the BESS-3 system as charging energy, rather than the amount of energy discharged by BESS-3 onto the grid. According to the Company, "RECs from renewable energy resources should be created based on the energy that they actually produce, even when paired with storage resources. This will ensure that renewable energy-only resources and renewable energy resources paired with storage are able to create RECs on an equitable basis."¹¹

The Company requests an order within 90 days "to ensure the Company can appropriately quantify the RECs generated from the Scott Solar/BESS-3 facility for its annual RPS Program compliance obligations."¹²

NOW THE COMMISSION, upon consideration of this matter, is of the opinion and finds that interested persons and the Staff of the Commission ("Staff") should be provided an opportunity to comment on the Company's request for an exception to the Business Rules or to request a hearing on the Petition.

⁹ *Id.* at 5-6.

¹⁰ *Id.* at 6.

¹¹ *Id.*

¹² *Id.*

The Commission takes judicial notice of the ongoing public health issues related to the spread of the virus that causes COVID-19. The Commission has taken certain actions, and may take additional actions going forward, that could impact the procedures in this proceeding.¹³ Consistent with these actions, in regard to the terms of the procedural framework established below, the Commission will, among other things, direct the electronic filing of comments.

We will direct that the Clerk of the Commission provide, by electronic transmission, copies of this Order for Comment to the Service List in Case Nos. PUR-2021-00064 and PUR-2021-00146. We will also direct the Director of the Commission's Division of Information Resources to post a copy of this Order for Comment on the Commission's website.

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed as Case No. PUR-2022-00075.
- (2) The Director of the Commission's Division of Information Resources promptly shall post a copy of this Order for Comment on the Commission's website.
- (3) All comments in this matter shall be submitted electronically to the extent authorized by Rule 5 VAC 5-20-150, *Copies and format*, of the Commission's Rules of Practice and Procedure.¹⁴ Confidential and Extraordinarily Sensitive Information shall not be submitted

¹³ See, e.g., *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic Service of Commission Orders*, Case No. CLK-2020-00004, 2020 S.C.C. Ann. Rept. 76, Order Concerning Electronic Service of Commission Orders (Mar. 19, 2020), *extended by* 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel., State Corporation Commission, Ex Parte: Revised Operating Procedures During COVID-19 Emergency*, Case No. CLK-2020-00005, 2020 S.C.C. Ann. Rept. 77, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (Mar. 19, 2020) ("Revised Operating Procedures Order"), *extended by* 2020 S.C.C. Ann. Rept. 78, Order Regarding the State Corporation Commission's Revised Operating Procedures During COVID-19 Emergency (May 11, 2020); *Commonwealth of Virginia, ex rel. State Corporation Commission, Ex Parte: Electronic service among parties during COVID-19 emergency*, Case No. CLK-2020-00007, 2020 S.C.C. Ann. Rept. 79, Order Requiring Electronic Service (Apr. 1, 2020).

¹⁴ 5 VAC 5-20-10 *et seq.*

electronically and should comply with 5 VAC 5-20-170, *Confidential information*, of the Rules of Practice. Any person seeking to hand deliver and physically file or submit any pleading or other document shall contact the Clerk's Office Document Control Center at (804) 371-9838 to arrange the delivery.¹⁵

(4) On or before July 1, 2022, any interested person may submit written comments concerning the issues described herein by following the instructions found on the Commission's website: scc.virginia.gov/casecomments/Submit-Public-Comments. Those unable, as a practical matter, to submit comments electronically may file such comments by U.S. mail to the Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. All comments shall refer to Case No. PUR-2022-00075.

(5) On or before July 1, 2022, Staff may submit written comments concerning the issues described herein.

(6) On or before July 1, 2022, any person or entity wishing to participate as a respondent in this proceeding may do so by filing a notice of participation with the Clerk of the Commission at: scc.virginia.gov/clk/efiling. Those unable, as a practical matter, to file a notice of participation electronically may file such notice by U.S. mail to the Clerk of the Commission at the address listed above. Such notice of participation shall include the email addresses of such parties or their counsel, if available. Pursuant to 5 VAC 5-20-80 B, *Participation as a respondent*, of the Rules of Practice, any notice of participation shall set forth: (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Any organization,

¹⁵ As noted in the Commission's Revised Operating Procedures Order, submissions to the Commission's Clerk's Office via U.S. mail or commercial mail equivalents may be subject to delayed processing due to the COVID-19 public health issues.

corporation, or government body participating as a respondent must be represented by counsel as required by 5 VAC 5-20-30, *Counsel*, of the Rules of Practice. All filings shall refer to Case No. PUR-2022-00075.

(7) On or before July 1, 2022, any interested person or entity may file, with the Clerk of the Commission at: scc.virginia.gov/clk/efiling/, a request that the Commission convene a hearing on the Company's Petition. Those unable, as a practical matter, to file a request for hearing electronically may file such request for hearing by U.S. mail to the Clerk of the Commission at the address above. Such request for hearing shall include the email addresses of such parties or their counsel, if available. Requests for hearing must include: (i) a precise statement of the filing party's interest in the proceeding; (ii) a statement of the specific action sought to the extent then known; (iii) a statement of the legal basis for such action; and (iv) a precise statement why a hearing should be conducted in this matter. All such filings shall refer to Case No. PUR-2022-00075.

(8) A copy of any requests for hearing and notices of participation simultaneously shall be sent to counsel for the Company, Elaine S. Ryan, Esquire, McGuireWoods LLP, Gateway Plaza, 800 East Canal Street, Richmond, Virginia 23219, or eryan@mcguirewoods.com.

(9) On or before July 15, 2022, the Company may file with the Clerk of the Commission a response to any requests for hearing and any comments filed by interested persons in this proceeding.

(10) This matter is continued.

A COPY hereof shall be sent electronically by the Clerk of the Commission to all persons on the official Service List for Case Nos. PUR-2021-00064 and PUR-2021-00146. The Service List is available from the Clerk of the Commission.